



Senate

General Assembly

File No. 17

January Session, 2007

Senate Bill No. 1172

Senate, March 8, 2007

The Committee on General Law reported through SEN. COLAPIETRO of the 31st Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

**AN ACT CONCERNING WHOLESALE BEER PRICE POSTING AND
MODIFYING BEER PACKAGING FOR CONSUMPTION ON AND OFF
PREMISES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 30-63 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) No holder of any manufacturer, wholesaler or out-of-state
4 shipper's permit shall ship, transport or deliver within this state, or sell
5 or offer for sale, any alcoholic liquors unless the name of the brand,
6 trade name or other distinctive characteristic by which such alcoholic
7 liquors are bought and sold, the name and address of the manufacturer
8 thereof and the name and address of each wholesaler permittee who is
9 authorized by the manufacturer or his authorized representative to sell
10 such alcoholic liquors are registered with the Department of Consumer
11 Protection and until such brand, trade name or other distinctive
12 characteristic has been approved by the department. Such registration
13 shall be valid for a period of three years. The fee for such registration,
14 or renewal thereof, shall be one hundred dollars for out-of-state

15 shippers and three dollars for Connecticut manufacturers for each
16 brand so registered, payable by the manufacturer or such
17 manufacturer's authorized representative when such liquors are
18 manufactured in the United States and by the importer or such
19 importer's authorized representative when such liquors are imported
20 into the United States. The department shall not approve the brand
21 registration of any fortified wine, as defined in section 12-433, which is
22 labeled, packaged or canned so as to appear to be a wine or liquor
23 cooler, as defined in section 12-433.

24 (b) No manufacturer, wholesaler or out-of-state shipper permittee
25 shall discriminate in any manner in price discounts between one
26 permittee and another on sales or purchases of alcoholic liquors
27 bearing the same brand or trade name and of like age, size and quality,
28 nor shall such manufacturer, wholesaler or out-of-state shipper
29 permittee allow in any form any discount, rebate, free goods,
30 allowance or other inducement for the purpose of making sales or
31 purchases. Nothing in this subsection shall be construed to prohibit
32 beer manufacturers, beer wholesalers or beer out-of-state shipper
33 permittees from differentiating in the manner in which their products
34 are packaged on the basis of on-site or off-site consumption.

35 (c) For alcoholic liquor other than beer, each manufacturer,
36 wholesaler and out-of-state shipper permittee shall post with the
37 department, on a monthly basis, the bottle, can and case price of any
38 brand of goods offered for sale in Connecticut, which price when so
39 posted shall be the controlling price for such manufacturer, wholesaler
40 or out-of-state permittee for the month following such posting. On and
41 after July 1, 2005, for beer, each manufacturer, wholesaler and out-of-
42 state shipper permittee shall post with the department, on a monthly
43 basis, the bottle, can and case price, and the price per keg or barrel or
44 fractional unit thereof for any brand of goods offered for sale in
45 Connecticut which price when so posted shall be the controlling price
46 for such brand of goods offered for sale in this state for the month
47 following such posting. Such manufacturer, wholesaler and out-of-
48 state shipper permittee may also post additional prices for such bottle,

49 can, case, keg or barrel or fractional unit thereof for a specified portion
 50 of the following month which prices when so posted shall be the
 51 controlling prices for such bottle, can, case, keg or barrel or fractional
 52 unit thereof for such specified portion of the following month. Notice
 53 of all manufacturer, wholesaler and out-of-state shipper permittee
 54 prices shall be given to permittee purchasers by direct mail, Internet
 55 web site or advertising in a trade publication having circulation among
 56 the retail permittees except a wholesaler permittee may give such
 57 notice by hand delivery. Price postings with the department setting
 58 forth wholesale prices to retailers shall be available for inspection
 59 during regular business hours at the offices of the department by
 60 manufacturers and wholesalers until three o'clock p.m. of the first
 61 business day after the last day for posting prices. A manufacturer or
 62 wholesaler may amend such manufacturer's or wholesaler's posted
 63 price for any month to meet a lower price posted by another
 64 manufacturer or wholesaler with respect to alcoholic liquor bearing the
 65 same brand or trade name and of like age, vintage, quality and unit
 66 container size; provided that any such amended price posting shall be
 67 filed before three o'clock p.m. of the fourth business day after the last
 68 day for posting prices; and provided further such amended posting
 69 shall not set forth prices lower than those being met. Any
 70 manufacturer or wholesaler posting an amended price shall, at the
 71 time of posting, identify in writing the specific posting being met. On
 72 and after July 1, 2005, all wholesaler postings, other than for beer, for
 73 the following month shall be provided to retail permittees not later
 74 than the twenty-seventh day of the month prior to such posting. All
 75 wholesaler postings for beer shall be provided to retail permittees not
 76 later than the twentieth day of the month prior to such posting.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	30-63
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GL *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
Consumer Protection, Dept.	GF - Revenue Gain	Potential Minimal	Potential Minimal

Note: GF=General Fund

Municipal Impact: None

Explanation

This bill prohibits manufacturers and wholesalers of alcoholic beverages from discriminating price discounts offered to customers on products of like brand, age, size, and quality. Complaints received regarding this provision are subject to investigation by the Department of Consumer Protection's (DCP) Division of Liquor Control. After a hearing, the Liquor Control Commission has the authority to impose a civil penalty, the amount of which is at the discretion of the Liquor Control Commission. DCP may also suspend the permit in question. To the extent that civil penalties may be assessed, DCP could experience minimal increased revenues.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future as described above.

OLR Bill Analysis**SB 1172*****AN ACT CONCERNING WHOLESALE BEER PRICE POSTING AND
MODIFYING BEER PACKAGING FOR CONSUMPTION ON AND
OFF PREMISES*****SUMMARY:**

The law prohibits manufacturers and wholesalers of alcoholic beverages from discriminating in any way in the price discounts they offer their customers on products of the same brand, age, size, and quality. This bill provides that this must not be construed to prohibit beer manufacturers and wholesalers from changing how they package their products based on whether their customer holds a permit to sell for off-premises or on-premises consumption.

Current law requires manufacturers and wholesalers of all types of alcoholic beverages to post their bottle, can, case, keg, barrel, or fractional unit prices (e.g., quarter kegs) for the following month with the Department of Consumer Protection by the 27th of the month. The price, once posted, is the controlling price for the entire next month. The law also allows beer manufacturers and wholesalers to post additional prices for specified parts of the month and makes them the controlling prices for the specified parts of the month. The bill requires beer wholesalers to provide their price postings for the following month to retailers by the 20th of the month rather than the 27th.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

General Law Committee

Joint Favorable

Yea 17 Nay 1 (02/27/2007)